

Case Name Cerf Bros. Bag Co.  
Case Number 09-51141-705

FORM OPR-1A

COMPARATIVE BALANCE SHEETS

	Filing Date	Month	Month	Month	Month	Month	Month
	11/2/2009	11/2/2009	11/30/2009				
ASSETS							
CURRENT ASSETS							
Cash (attach bank stmt copies) (Note 1)	-57199.14	150415.53					
Accounts Receivable	1184182.16	986535.67					
Inventory	1000598.04	895780.09					
Prepaid Expense & Deposits (Note 2)	293888.64	312265.59					
Other	47086.22	165496.25					
LSQ Reserves	25747.97	25747.97					
Deferred Tax Asset							
Marketable Securities	600	0					
TOTAL CURRENT ASSETS	2494903.89	2536241.1	0	0	0	0	0
FIXED ASSETS (Schedule B)							
Less accumulated depreciation	774953.82	774953.82	0	0	0	0	0
	699339.04	701308.74					
NET FIXED ASSETS	75614.78	73645.08	0	0	0	0	0
OTHER ASSETS							
Cash Value - Life Insurance (Note 3)	681163.5	681163.5					
TOTAL ASSETS	3251682.17	3291049.68	0	0	0	0	0

I CERTIFY UNDER PENALTY OF PERJURY THAT THE FOLLOWING OPERATING REPORTS, CONSISTING OF \_10\_ PAGES ARE TRUE AND CORRECT

Date Submitted 12/15/2009

Signed



Jerry Michelson  
(Printed Name of Signatory)

Note 1: Cash - The beginning balance is an amendment to Schedule B previously submitted.  
Note 2: Prepaids - The beginning balance is an amendment to Schedule B previously submitted.  
Note 3: The life insurance asset submitted on Schedule B is net of outstanding loans totaling \$654,929.94.

Case Name Cerf Bros. Bag Co.  
Case Number 09-51141-705

FORM OPR-1B

COMPARATIVE BALANCE SHEETS

	Filing Date	Month	Month	Month	Month	Month	Month
	11/2/2009	11/2/2009	11/30/2009				
LIABILITIES AND SHAREHOLDERS EQUITY							
LIABILITIES							
Post Petition Debt (Schedule C)	0	46078.24	0	0	0	0	0
Pre Petition debt							
Notes Payable (Note 4)	3142246.61	3195606.62					
Priority Debt (Note 5)	60617.63	87993.73					
Unsecured Debt	938798.96	1070278.86					
Other	265189.67	265189.67					
Total Pre Petition Debt	4406852.87	4619068.88	0	0	0	0	0
TOTAL LIABILITIES	4406852.87	4665147.12	0	0	0	0	0
SHAREHOLDERS EQUITY							
Preferred Stock	568224.41	568224.41					
Common Stock							
Paid-In Capital							
Through filing date	-1723395.11	-1723395.11					
Post filing date		-218926.74					
TOTAL SHAREHOLDERS EQUITY	-1155170.7	-1374097.44	0	0	0	0	0
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	3251682.17	3291049.68	0	0	0	0	0

Note 4: Notes Payable includes unsecured and secured obligations.

Note 5: The beginning balance of priority payments is an amendment to Schedule E previously submitted. This includes accrued Payroll, Vacation, and Commissions.

Case Name Cerf Bros. Bag Co.  
Case Number 09-51141-705

FORM OPR-2

STATEMENT OF INCOME  
(MONTHLY AMOUNTS ONLY)

	Filing Date	Month 11/2/2009 11/30/2009	Month	Month	Month	Month	Month	Year To Date
REVENUE								
Gross Income	432183.29	242035.45						674218.74
Less Cost of Goods Sold								
Materials	280101.67	254243.4						534345.07
Direct Labor								
Overhead								
GROSS PROFIT	152081.62	-12207.95	0	0	0	0	0	139873.67
OPERATING EXPENSES								
Selling and Marketing	50042.37	32993.92						83036.29
Executive and Mgmt Salaries	19013.16	31782.31						50795.47
Office & Other Salaries	39547.74	60355.38						99903.12
Rent	14509.58	29084.37						43593.95
Other (Attach Schedule)	2971.87	16893.57						19865.44
OTHER EXPENSE								
Quarterly Fees								0
Depreciation	1969.7	1969.7						3939.4
Interest	8461.63	8639.54						17101.17
Attorney's Fees	25000	25000						50000
Other Professional Fees								0
TOTAL EXPENSES	161516.05	206718.79	0	0	0	0	0	368234.84
NET INCOME BEFORE TAXES	-9434.43	-218926.74	0	0	0	0	0	-228361.17
Income Tax Expense (Benefit)								
NET INCOME (LOSS)	-9434.43	-218926.74	0	0	0	0	0	-228361.17

	Month	Month	Month	Month	Month	Year To Date
	11/2/2009					
	11/30/2009					
<b>CASH DIFFERENCE</b>						
Current Ending Cash Balance	150415.53	0	0	0	0	0
Less Ending Prior Month Balance	-57199.14	0	0	0	0	0
<b>NET CASH INCREASE (DECREASE)</b>	<b>207614.67</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>SOURCES OF CASH</b>						
Net Income	-9434.43	0	0	0	0	0
Add: Depreciation Amortization	1969.7	0	0	0	0	0
Cash from Operations	-7464.73	0	0	0	0	0
Decrease In:						
Accounts Receivable						
Inventory						
Prepaid Expense & Deposits						
Fixed Assets						
Other						
Increase In:						
Post Petition Debt	0	0	0	0	0	0
Pre Petition Debt						
<b>TOTAL SOURCES OF CASH</b>	<b>192685.21</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>USES OF CASH</b>						
Increase In:						
Accounts Receivable	-197646.49	0	0	0	0	0
Inventory	-104817.95	0	0	0	0	0
Prepaid Expenses & Deposits	18376.95	0	0	0	0	0
Fixed Assets	0	0	0	0	0	0
Other						
Decrease In:						
Post Petition Debt	46078.24	0	0	0	0	0
Pre Petition Debt	212216.01	0	0	0	0	0
<b>TOTAL USES OF CASH</b>	<b>-25793.24</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET CASH INCREASE (DECREASE)</b>	<b>166891.97</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



Case Name Cerf Bros. Bag Co.  
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SCHEDULE A

SCHEDULE OF ACCOUNTS RECEIVABLE AGING

		TOTAL ACCOUNTS RECEIVABLE	0-30 DAYS	31-60 DAYS	61-90 DAYS	91-120 DAYS	OVER 120 DAYS
Date of Filing <u>11/2/2009</u>							
% of Total		110%	1029604.66	61526.77	37333.19	12769.64	164973.11
Month: <u>11/30/2009</u>							
% of Total		114%	837368.51	59645.5	40996.41	20183.5	164941.75
Month: _____		#DIV/0!	0	0	0	0	0
% of Total							
Month: _____		#DIV/0!	0	0	0	0	0
% of Total							
Month: _____		#DIV/0!	0	0	0	0	0
% of Total							
Month: _____		#DIV/0!	0	0	0	0	0
% of Total							
Month: _____		#DIV/0!	0	0	0	0	0
% of Total							
Month: _____		#DIV/0!	0	0	0	0	0
% of Total							

## SCHEDULE B

## SCHEDULE B

TOTAL FIXED ASSETS

Case Name Cerf Bros. Bag Co.  
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SCHEDULE C

SCHEDULE OF POST PETITION DEBT

	MONTH 11/2/2009 11/30/2009	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
TRADE ACCOUNTS PAYABLE	46068.75	0	0	0	0	0	0
TAXES PAYABLE							
Federal Payroll Taxes	0						
State Payroll Taxes	0						
State Sales Taxes	9.49						
Local Payroll Taxes	0						
Real Estate & P.P. Taxes	0						
Other	0						
TOTAL TAXES PAYABLE	9.49	0	0	0	0	0	0
OTHER LIABILITIES							
Post Petition Secured Debt	0						
Accrued Interest Payable	0						
Other Accrued Liabilities	0						
TOTAL OTHER LIABILITIES	0	0	0	0	0	0	0
TOTAL POST PETITION DEBT	46078.24	0	0	0	0	0	0

SCHEDULE D  
SUMMARY OF SIGNIFICANT ITEMS

1. INSURANCE COVERAGE

	Carrier / Agent Name	Amount of Coverage	Policy Expiration Date	Date Premium Paid Through
Workman's Comp	Covered through ADP Total Source (Leased Employees)			
Liability	One Beacon	2,000,000	9/20/2010	12/27/2009
Fire & Extended Coverage	Included in Property Insurance			
Property	One Beacon	2,400,000	9/20/2010	12/27/2009
Theft	Included in Property Insurance			
Vehicle (Hired & Non-owned)	One Beacon	1,000,000	9/20/2010	12/27/2009
Other (Specify)				
Umbrella	One Beacon	4,000,000	9/20/2010	12/27/2009
Marine Ocean Cargo	Liberty International	100,000	8/15/2010	2/14/2010

2. STATEMENT OF PAYMENTS TO SECURED CREDITORS

(List all payments made to secured creditors during the month and the purpose for such payment, i.e. Court ordered adequate protection cash collateral payment.)

Payee	Description	Amount Paid	Total Paid
Southwest Bank	Paydown against LOC	50,000	50,000

3. TAX PAYMENTS MADE THIS MONTH (not accruals)

	Date Paid	Amount Paid	Post-Petition Taxes Still Unpaid
Fed Payroll W/H Taxes	N/A		N/A
Fed Payroll W/H Taxes	N/A		N/A
Fed Payroll W/H Taxes	N/A		N/A
Federal Unemployment Taxes	N/A		N/A
State Payroll W/H Taxes	N/A		N/A
State Payroll W/H Taxes	N/A		N/A
State Unemployment Taxes	N/A		N/A
City / Local Payroll Payroll W/H Taxes	N/A		N/A
State Sales and Use Taxes	0		9.49
Other (Specify)	N/A		N/A



SCHEDULE D  
SUMMARY OF SIGNIFICANT ITEMS

4. COMPENSATION PAYMENTS MADE THIS MONTH (not accruals)

(List all payments made to owners of proprietorships; partners of partnerships; officers, directors, and shareholders of a corporation.)

Name	Amount	Date of Court Order Authorizing Payment
Jerry Michelson Payroll	9230.78	11/5/2009
Jerry Michelson T&E Expenses	1912.95	11/5/2009

5. PAYMENTS MADE THIS MONTH TO PROFESSIONALS (not accruals)

	Name	Amount Paid	Date of Court Order Authorizing Payment
Attorney(s)	Goldstein & Pressman, P.C.	25000	11/5/2009
Accountant(s)	N/A		
Management Co.(s)	N/A		
Appraiser(s)	N/A		
Other (Specify)	N/A		

6. RECORD OF DISBURSEMENT AND PAYMENT OF QUARTERLY FEES

Period Ending	Total Disbursements	Total Disb For Quarter	Quarterly Fee (1)	Date Paid	Amount Paid	Check Number
January						
February						
March						
April						
May						
June						
July						
August						
September						
October						
November	130,702.18					
December						

Quarterly Disbursement Range		Fee Due	Quarterly Disbursement Range		Fee Due
\$ -	\$ 15,000.00	\$ 250	\$ 300,000.00	\$ 999,999.99	\$ 3,750
\$ 15,000.00	\$ 74,999.99	\$ 500	\$ 1,000,000.00	\$ 1,999,999.99	\$ 5,000
\$ 75,000.00	\$ 149,999.99	\$ 750	\$ 2,000,000.00	\$ 2,999,999.99	\$ 7,500
\$ 150,000.00	\$ 224,999.99	\$ 1,250	\$ 3,000,000.00	\$ 4,999,999.99	\$ 8,000
\$ 225,000.00	\$ 299,999.99	\$ 1,500	\$ 5,000,000.00	and above	\$ 10,000

## BANK RECONCILIATION

Case Name Cerf Bros. Bag Co.

Case Number 09-51141-705

Bank	Southwest Bank
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Month of November

Balance per books beginning of month	-57199.14	Balance per bank statement as of 11/30/2009	185,375.92
Add Debits:			
Deposits	623546.98	Deposit in Transit	
Total Debits		Total in Transit	
Total	623546.98	Total	0
Less Credits:		Less:	
Checks/Wire Transfers	415932.31	Checks Outstanding	15347.42
		Outstanding Deposit (In Bank in Nov; G/L in Dec)	11370.68
		LOC Interest (Booked G/L in Nov; Bank in Dec)	8242.29
Total Credits	415932.31	Total	34960.39
Balance per books end of month	150415.53	Bank balance-reconciliation	150,415.53

Number	Amount		Number	Amount		Number	Amount	
						Total		